

ASHEVILLE COMMUNITY PROFILE

Community Description

The City of Asheville, with a population of 76,764, comprises an area of approximately 45.2 square miles in Western North Carolina. Asheville is the regional center for manufacturing, transportation, health care, banking, professional services, and shopping. The City is the county seat of Buncombe County, the largest city in Western North Carolina, and the eleventh largest city in the State. Asheville is nestled between the Blue Ridge and Great Smoky Mountains and located astride the French Broad and Swannanoa Rivers. The City is surrounded by lush mountains, many with elevations above 5,000 feet.

Recreational opportunities abound in the Asheville area with approximately 16% of the region's area designated as public or recreational. The Biltmore Estate, George Vanderbilt's 19th century estate, comprises over 8,000 acres just outside the city limits. The Blue Ridge Parkway is also headquartered in Asheville. The City also has a strong historic preservation program. This assistance in the preservation of downtown housing and historic structures has created a truly unique and vibrant urban atmosphere in downtown Asheville.

Asheville's natural and architectural beauty, moderate climate, strong job market, and outstanding educational and health care facilities make it one of the most attractive locations in the United States. Asheville is consistently ranked high among the best places to live, work and retire. The City's long-range planning is directed toward preserving this area's high quality of life, so that it shall remain one of the "best places."

Form of City Government

The City of Asheville, which was incorporated in 1797, operates under a Council/Manager form of government. The six-member City Council and the Mayor are elected at-large for staggered terms of four years. City Council, which acts as the City's legislative and policy-making body, selects the City Manager, who is the City's chief administrator and is responsible for implementing the policies and programs adopted by the City Council. The City's 1,000-person workforce provides basic City services including fire and police protection, planning and economic development, public works (streets, traffic, solid waste and stormwater services), parks and recreation, and water.

Statistical Information

Year Established

Asheville	1883
Buncombe County	1792

Size (square miles)

Asheville	45.2
Buncombe County	660

Climate

Avg. Yearly Temp.	55.6 F
Avg. Yearly Rainfall	47.07 in
Avg. Yearly Snowfall	13.3 in
Avg. Elevation	2,165 ft

Police Protection

Number of Stations	4
Number of Police Personnel	259
Number of Patrol Districts	3
Number of:	
Calls for Service Dispatched	114,112
UCR Part I Crimes Reported	5,091
UCR Part I Crimes Cases Cleared	1,293
Traffic Accidents Investigated	3,290

Utilities

Miles of Streets	379.38
Number of Street Lights	9,809
Number of City-Maintained Intersections	62
Miles of Water Mains	1,643
Treatment Plants	3
Water Service Connections	51,776
Fire Hydrants	3,345
Daily Avg. Consumption of Water (gal)	20.9 million
Max. Daily Capacity of Treat. Plants (gal)	44 million

Fire Protection

Number of Stations	11
Number of Fire Personnel	239
Number of Calls Answered	13,442
Number of Inspections Conducted	2,381

Culture & Recreation

Community Centers	11
Parks & Playgrounds	73
Park Acreage	937
Swimming Pools	3
Tennis Courts	30

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Demographic Information

(Source: U.S. Census Bureau, American Factfinder 2007; Geographic Area: City of Asheville, unless otherwise indicated. The Asheville Metropolitan Statistical Area includes the following counties: Buncombe, Haywood, Henderson, & Madison.)

Population (State Est. as of 7/07)

City of Asheville	76,764
Buncombe County	225,609
Asheville Metro. Stat. Area	405,277

Population Growth 2000-2007

City of Asheville	11.4%
Buncombe County	9.4%

<u>Age</u>	<u>Number</u>	<u>Percent</u>
Under 5 years	4,068	5.3%
5-9	3,685	4.8%
10-14	3,992	5.2%
15-19	4,683	6.1%
20-24	6,218	8.1%
25-34	11,438	14.9%
35-44	10,210	13.3%
45-54	10,286	13.4%
55-59	5,143	6.7%
60-64	4,222	5.5%
65-74	5,373	7.0%
75-84	5,143	6.7%
85+ years	2,303	3.0%
Median Age	39.5	

<u>Race</u>	<u>Number</u>	<u>Percent</u>
White	62,971	82.0%
Black or African American	11,317	14.7%
Other	2,476	3.2%
Hispanic or Latino (any race)	3,218	4.2%

<u>Households</u>	<u>Number</u>	<u>Percent</u>
Total	33,725	
Family Households	17,207	51.0%
Non-Family Households	16,518	49.0%
Average Household Size	2.14	
Average Family Size	2.89	

<u>Housing Occupancy</u>	<u>Number</u>	<u>Percent</u>
Total Housing Units	38,101	
Occupied Housing Units	33,725	88.5%
Vacant Housing Units	4,376	11.5%
Homeowner Vacancy Rate	1.6%	
Rental Vacancy Rate	5.1%	

<u>Housing Tenure</u>	<u>Number</u>	<u>Percent</u>
Occupied Housing Units	33,725	
Owner-Occupied Housing Units	18,527	54.9%
Renter-Occupied Housing Units	15,198	45.1%

<u>Sex</u>	<u>Number</u>	<u>Percent</u>
Male	35,388	46.1%
Female	41,376	53.9%

Other Demographic Information

(Source: Asheville Area Chamber of Commerce)

Public Schools

Number of Elementary Schools	6
Number of Middle/High Schools	2/1
Total Student Enrollment	3,826

Medical

Hospitals/Beds	3/1,668
Doctors	808
Dentists	142

Area Colleges & Universities

	<u>Enrollment</u>
University of North Carolina-Asheville	3,520
Western Carolina University	9,060
Mars Hill College	1,160
Warren Wilson College	900
Montreat College	1,030
Asheville-Bunc. Tech/Comm College	6,250

Housing

Avg. Price of Area Homes Sold (2008)	\$277,825
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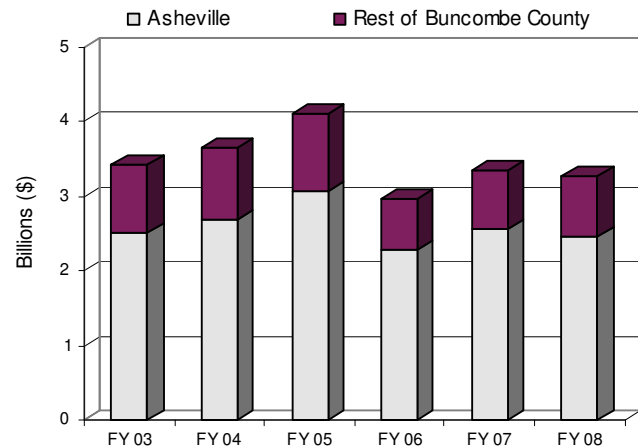
Economic Indicators

Growth in many of the City's revenues depends on the state of the economy. When the economy is expanding, revenues are up, and when the economy slows, revenues react accordingly. Given this relationship, key economic indicators, such as retail sales, unemployment rates, job growth, construction starts and hotel/motel sales are helpful in assessing why revenues are either up or down, and how they might be trending in the future. Although the City's revenues are most directly impacted by the local economy, trends in North Carolina and across the nation are also important.

Retail Sales (Source: N.C. Department of Revenue)

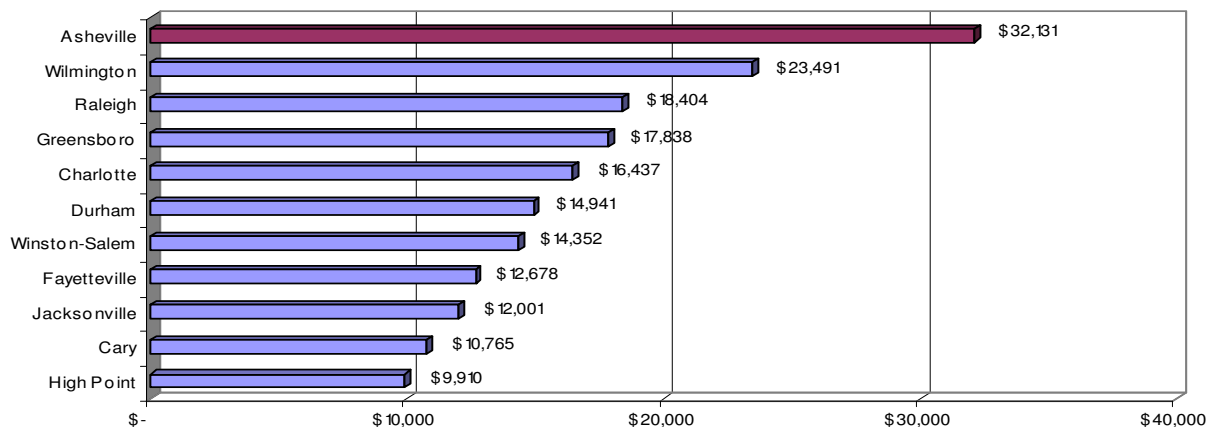
Buncombe County Retail Sales

		<u>% Growth</u>
FY 97-98	3,081,052,389	5.73%
FY 98-99	3,211,541,498	4.24%
FY 99-00	3,244,933,551	1.04%
FY 00-01	3,385,178,057	4.32%
FY 01-02	3,431,308,897	1.36%
FY 02-03	3,443,728,087	0.41%
FY 03-04	3,652,735,132	6.07%
FY 04-05	4,052,113,042	10.93%
FY 05-06	3,002,061,125	NA
FY 06-07	3,336,213,094	11.13%
FY 07-08	3,283,356,807	-1.58%



In addition to being an important indicator of overall local economic health, Buncombe County retail sales activity also directly impacts the City's general fund budget through sales tax receipts. The economic recession and its lingering effects caused retail sales growth to slow substantially between FY 01-02 and FY 02-03, with annual growth averaging only .89% over this time period. Retail sales improved in FY 03-04 and continued to grow through FY 06-07. With the onset of the current recession in FY 07-08, retail sales fell by 1.58%. A more substantial drop in retail sales will show up in FY 2008-09 year end data. Due to a change in the way the state calculates retail sales, FY 05-06 data is not comparable to prior years.

Per Capita Retail Sales for North Carolina's Eleven Largest Cities FY 2007-08

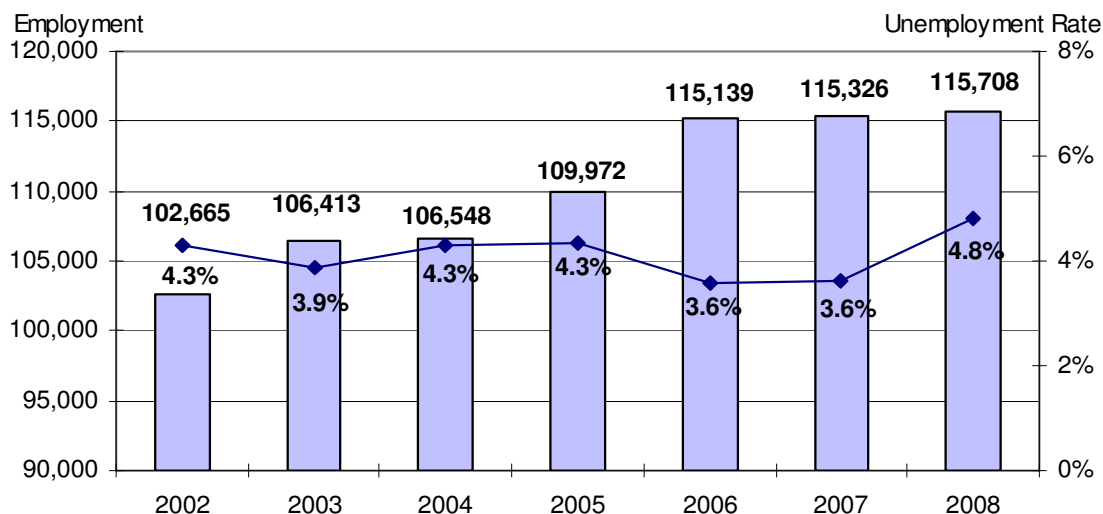


Population Estimates: Office of State Planning as of 7/1/07.

Of the \$3.3 billion in retail sales recorded in Buncombe County during FY 2007-08, \$2.5 billion or 76% of those sales occurred within the City of Asheville. Among the eleven largest cities in North Carolina, Asheville had the highest level of retail sales per resident in FY 2007-08. This data reflects Asheville's position as the regional economic center for Western North Carolina. Asheville's high level of retail sales per resident is also likely associated with Asheville's status as a tourist destination.

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Labor Market Trends (Sources: N.C. Employment Security Commission & the Asheville Area Chamber of Commerce)



Buncombe County Workforce

Largest Employment Sectors (NAICS)	% of Employment
Health Services & Private Education	16.9%
Government (federal, state and local)	14.7%
Leisure & Hospitality	13.8%
Retail Trade	12.8%
Manufacturing	11.2%
Professional & Business Services	9.8%
Construction	6.7%
Financial Activities	3.4%
Wholesale	2.9%
Transportation & Utilities	2.5%
Information	1.3%

Employment Growth

Year	Avg. Employment	% Change
1999	102,931	0.74%
2000	104,617	1.64%
2001	104,738	0.12%
2002	102,665	-1.98%
2003	106,413	3.65%
2004	106,548	0.13%
2005	109,972	3.21%
2006	115,139	4.70%
2007	115,326	0.16%
2008	115,708	0.33%

The unemployment rate is a critical indicator of relative strength in the local economy. As the effects of the recession began to be felt in Buncombe County, the average unemployment climbed to 4.8% in 2008. The unemployment rate has continued to climb dramatically in 2009, and as of May, the county's unemployment rate stood at 8.8%. Local unemployment rates are below both the statewide rate (11.1%) and the national rate (9.4%).

Between 1999 and 2008, the total employment in Buncombe County increased by 12,777 jobs or 12.4%. In 2008, average Buncombe County employment increased by 0.33%, reaching an all-time high of 115,708.

The County's leading industry in terms of employment is health care & private education, which employed 30,600 people in 2008. Other leading industry sectors include government, leisure & hospitality, and retail trade. Together these four sectors accounted for approximately 58.2% of all Buncombe County jobs in 2008. Despite the fact that it remains the fifth largest industry sector in Buncombe County, the manufacturing sector has experienced a significant decline in recent years. Over the last eight years, local manufacturing employment has declined 26.8%.

According to the latest data provided by the U.S. Bureau of Labor Statistics, the average annual pay in the Asheville Metropolitan Statistical Area (MSA) in 2007 was \$34,170. Asheville's MSA average annual pay was below both the state (\$36,900) and national (\$40,690) averages.

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Labor Market Trends (Sources: Asheville Area Chamber of Commerce & N.C. Department of Commerce)

Major Buncombe County Employers

Employer	Employment	Employer	Employment
Mission Health & Hospitals	3,000+	VA Medical Center	1,000-2,999
Buncombe County Public Schools	3,000+	The Biltmore Company	1,000-2,999
Ingles Markets, Inc.	3,000+	The Grove Park Inn Resort & Spa	1,000-2,999
Buncombe County	1,000-2,999	BorgWarner Turbo & Emissions Systems	750-999
City of Asheville	1,000-2,999	CarePartners	750-999

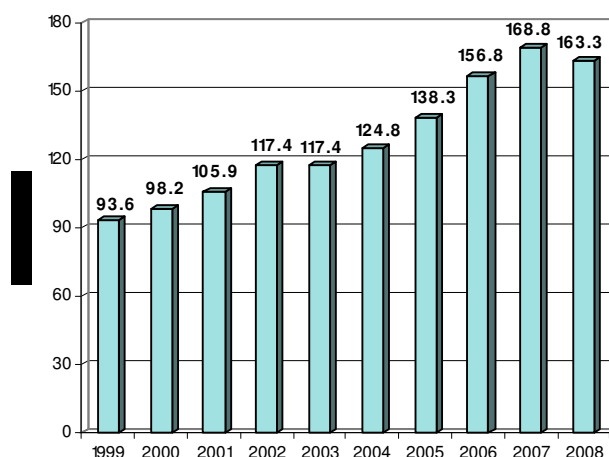
ACCRA Cost of Living Index (4th Quarter 2008)

Cities	All Items	Food	Housing
Asheville	99.7	100.2	101.8
Raleigh	102.6	104.1	99.3
Charlotte	94.2	102.2	79.9
Winston-Salem	90.8	98.6	76.4
Columbia, SC	95.2	108	77.1

(100 = The Composite National Average)

Buncombe County Hotel/Motel Sales (Sources: N.C. Department of Commerce & the Asheville Area Chamber of Commerce)

	<u>Hotel/Motel Sales</u>	<u>% Change</u>
1999	93,599,204	3.0%
2000	98,176,768	4.9%
2001	105,942,408	7.9%
2002	117,411,941	10.8%
2003	117,444,465	0.0%
2004	124,767,177	6.2%
2005	138,271,482	10.8%
2006	156,752,276	13.4%
2007	168,839,645	7.7%
2008	163,309,090	-3.3%



Asheville's setting, in the heart of a vast and beautiful recreational area, has made tourism an important part of the local economy. The most recent data from the N.C. Department of Commerce indicate that domestic tourism in Buncombe County generated an economic impact of \$709.4 million in 2007, an increase of 9.9% compared to 2006. Buncombe County ranks 5th in travel impact among the state's 100 counties. Over 8,970 jobs in Buncombe County are directly linked to travel and tourism. Growth in hotel/motel sales is a good indicator of the status of the local tourist economy. Hotel/motel sales grew steadily between 2004 and 2007, however the effects of the current recessions began being felt in 2008 and hotel/motel sales fell by 3.3%.

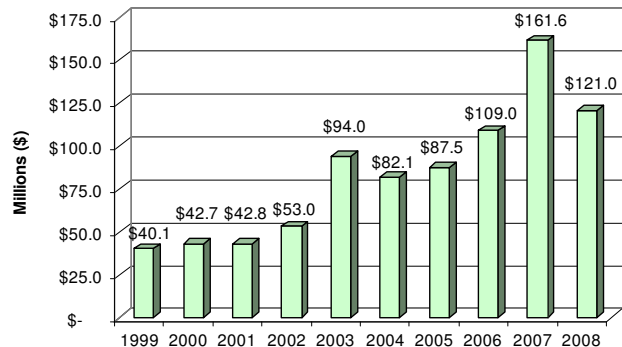
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Construction Trends (Source: City of Asheville Building Safety Department)

Residential Permit Valuation

Residential Permit Valuation

		<u>% Change</u>
1999	37,271,779	-38.77%
2000	41,708,329	11.90%
2001	41,897,612	0.45%
2002	52,343,315	24.93%
2003	93,330,295	78.30%
2004	81,642,524	-12.52%
2005	87,098,910	6.68%
2006	108,985,834	25.13%
2007	161,644,733	48.32%
2008	120,947,414	-25.16%

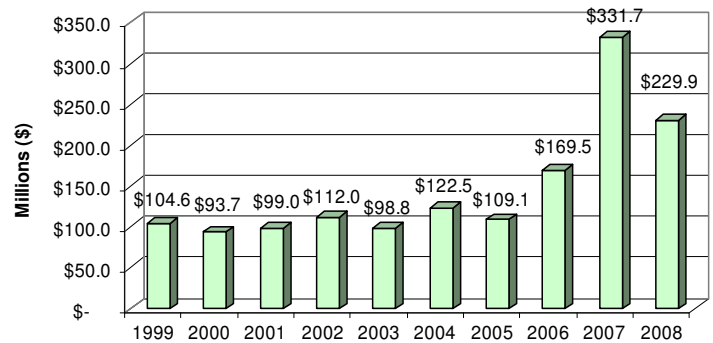


Residential property is the single largest component of the City's tax base comprising 50% of the City's total assessed valuation. Trends in residential construction are therefore an important indicator of overall growth in the City's financial capacity. In addition, residential development generally costs more to service than other types of development. Explosive growth in residential construction can thus lead to more demand for services and higher operating costs for City departments. The value of residential construction in the City has been well above historical averages in each of the last five years, but permit values fell by 25.16% in 2008 as the recession began impacting the local construction industry.

Commercial Permit Valuation

Commercial Permit Valuation

		<u>% Change</u>
1999	104,611,542	120.55%
2000	93,723,352	-10.41%
2001	98,982,460	5.61%
2002	111,985,132	13.14%
2003	98,748,514	-11.82%
2004	122,571,901	24.13%
2005	109,124,425	-10.97%
2006	169,568,937	55.39%
2007	331,721,367	95.63%
2008	229,910,119	-30.69%



Commercial property is the second largest component of the City's tax base comprising 33% of the City's total assessed valuation. Growth in commercial construction is important for the City's financial capacity and for the overall health of the local economy. Commercial construction activity reached a new high in 2007 before decreasing by 30.69% in 2008. It should be noted that even with the decline in 2008, commercial construction activity remained strong in Asheville during the early part of the current recession. Major commercial construction projects permitted in 2008 include the Biltmore Town Square, Country Inn & Suites Hotel, the Hotel Indigo, and the Fitzgerald Project at the Grove Park Inn.